

Honolulu, Hawaii

FEB 06 2023

RE: S.B. No. 706
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism, to which was referred S.B. No. 706 entitled:

"A BILL FOR AN ACT RELATING TO SMALL BUSINESS LOANS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Create and appropriate funds for the Hawaii Start-Up Business Loan Program to be administered by the Business Development and Support Division of the Department of Business, Economic Development, and Tourism, in coordination with the Hawaii Technology Development Corporation; and
- (2) Establish the Hawaii Start-Up Business Loan Program Special Fund.

Your Committee received testimony in support of this measure from the Department of Research and Development for the County of Hawaii, Chamber of Commerce Hawaii, and Right to Start. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Budget and Finance; and Hawaii Technology Development Corporation.

Your Committee finds that the coronavirus disease 2019 pandemic, supply chain issues, and inflation have hurt the State's



economy and local businesses on every level, including the start-up industry. Despite this, many small businesses and entrepreneurs are ready to take the leap into starting up a business, but lack the resources to do so, as access to capital is one of the biggest barriers for start-ups. Your Committee further finds that new businesses and young companies under five years of age create the most net new jobs in the United States. Your Committee believes that providing support to local small businesses and entrepreneurs looking to begin a start-up will lead to the creation of more jobs in the State. This measure will benefit the local economy and create new jobs by establishing and appropriating funds for the Hawaii Start-Up Business Loan Program to encourage entrepreneurship and economic diversification and resilience.

Your Committee has amended this measure by:

- (1) Appropriating funds for the Hawaii Start-Up Business Loan Program Special Fund from the general revenues of the State of Hawaii instead of funds from the American Rescue Plan Act;
- (2) Inserting a blank appropriation amount for the Hawaii Start-Up Business Loan Program;
- (3) Adding a new section with a blank appropriation for one full-time equivalent (1.0 FTE) loan officer position within the Business Support Branch of the Department of Business, Economic Development, and Tourism;
- (4) Inserting an effective date of January 6, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the Senate Draft 1 of this measure contains unspecified appropriation amounts, and respectfully requests that your Committee on Ways and Means consider inserting appropriation amounts of:

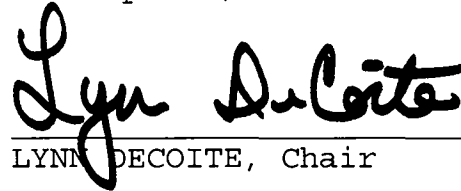
- (1) \$500,000 for the Hawaii Start-Up Business Loan Program; and



- (2) \$95,000 for one full-time equivalent (1.0 FTE) loan officer position within the Business Support Branch of the Department of Business, Economic Development, and Tourism.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 706, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 706, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy, Economic
Development, and Tourism,


LYNN DECOITE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Energy, Economic Development, and Tourism
EET

Bill / Resolution No.:* SB 706	Committee Referral: EET, WAM	Date: 2/2/23
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye ✓	Aye (WR)	Nay	Excused
DECOITE, Lynn (C)	✓			
WAKAI, Glenn (VC)	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado	✓			
FEVELLA, Kurt	✓			
TOTAL	5	0	0	0

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: 

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*Only one measure per Record of Votes